# PUBLIC NOTICE

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**DA 04-995**
**Released: April 9, 2004**

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF DOMINION TELECOM, INC., TO ELANTIC NETWORKS, INC.**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 04-96**

**Comments Due: April 23, 2004**
**Reply Comments Due: April 30, 2004**

On March 17, 2004, Dominion Telecom, Inc. (Dominion Telecom) and Elantic Networks, Inc. (Elantic) filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,[1] to request approval to transfer control[2] of the authority granted to Dominion Telecom under Section 214 of the Communications Act to Elantic.

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules because the proposed transaction would result in the transferee having a market share in the interstate, interexchange market of less than 10 percent; the transferee will provide competitive local exchange service, if at all, only in areas served by dominant local exchange carriers that are not parties to this transaction; and neither of the Applicants nor their affiliates are dominant with respect to any telecommunications service. With respect to a few geographic areas served by affiliate incumbent local exchange carriers, the Applicants assert that the transaction is entitled to presumptive streamlined treatment pursuant to 63.03(b)(2)(ii) because the applicants are a dominant carrier and a non-dominant carrier that provides services exclusively outside the geographic area where the dominant carrier

1 47 C.F.R §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

2 Applicants have also filed a transfer of control application related to international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

is dominant.[3]

Dominion Telecom, a Virginia public service corporation, is a wholly owned subsidiary of Dominion Fiber Ventures, LLC, a Delaware limited liability company. Dominion Fiber Ventures, LLC is ultimately owned by Dominion Resources, Inc. (Dominion Resources), a publicly held Virginia corporation. Dominion Resources provides electricity, natural gas and related services to customers in the Midwest, Mid-Atlantic and Northeast regions of the United States. Dominion Telecom currently provides facilities-based local exchange and interexchange telecommunications services to customers in the following states: Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina and Virginia.

Elantic Networks, a Delaware corporation that was newly formed for the explicit purpose of acquiring Dominion Telecom, has the following shareholders that hold 10 percent or more voting or equity interests: (1) M/C Venture Partners IV, L.P., a Delaware corporation, and its affiliates M/C Ventures Investors LLC., M/C Venture Partners V, L.P., and Chestnut Street Partners, Inc. (generally, the M/C Investors) with a combined interest of 71.3 percent; and (2) Banc of America Capital Investors SBIC, L.P. (BACI) with a 21.6 percent interest. The M/C Investors also have an ownership interest in Cavalier Telephone, LLC (Cavalier), which owns Cavalier Telephone Mid-Atlantic, LLC (CTMA). Cavalier and CTMA provide facilities-based competitive local exchange carrier (LEC) services in Delaware, the District of Columbia, Maryland, New Jersey, Pennsylvania, and Virginia. The M/C Investors also have a 10 percent ownership interest in FDN (f/k/a Florida Digital Networks), which provides voice and data communications services in the states of Florida and Georgia and NewSouth Communications (NewSouth), which provides voice and data services in the midwestern and southeastern United States (specifically, Arkansas, Florida, Georgia, Indiana, Kansas, Kentucky, Missouri, North Carolina, Oklahoma, South Carolina, and Tennessee).[4] BACI has 10 percent or higher ownership in Cavalier, and its affiliate, Banc of America Capital Investors, L.P., has a 10 percent or greater ownership interest in (1) Integra Telecom Inc., a competitive LEC with operations in Arizona, Colorado, Oregon, Utah, and Washington, and incumbent local exchange carrier (ILEC) operations in Minneapolis/St. Paul, Minnesota; and (2) Prairie Wave Communications, Inc., a rural incumbent competitive LEC/ILEC/broadband service provider in eastern South Dakota, southwestern Minnesota, and northwestern Iowa.

The Applicants have entered into an agreement whereby a wholly owned subsidiary of Elantic, Elantic Networks Merger Sub, Inc. (Merger Sub), will merge into Dominion Telecom, with Dominion Telecom as the surviving corporation in such merger. As a result, Dominion Telecom will become a wholly owned subsidiary of Elantic and the surviving corporation will be

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3 *See* Letter from Charles Zdebski, Counsel to Dominion Telecom, to Julie Veach, Wireline Competition Bureau, Federal Communications Commission, WC Docket No. 04-96, at 1 (filed Apr. 8, 2004).

4 NewSouth has requested the Commission's approval to merge with NuVox, Inc. *See Domestic Section 214 Application Filed for Transfer of Control of NewSouth Communications Corp., NuVox Inc. and NuVox Communications, Inc.*, Public Notice, WC Docket No. 04-50, DA 04-815 (rel. Mar. 26, 2004).

renamed Elantic Telecom, Inc. (Elantic Telecom). Elantic Telecom will enter into a management and services agreement with Cavalier for Cavalier to operate and manage the network. Applicants assert that the proposed merger will not involve any immediate change in the manner in which Dominion Telecom provides service to its customers and all commitments to Dominion Telecom's existing customers will be honored. Additionally, Applicants assert that Elantic will take all proper and reasonable legal and regulatory steps in connection with the change of name from Dominion Telecom to Elantic Telecom, including appropriately informing Dominion Telecom customers of such change.

The Applicants state that the proposed transaction is in public interest, because Elantic's acquisition of Dominion Telecom through the proposed merger would invigorate competition among telecommunications providers. Applicants assert that the proposed merger will ensure that Dominion Telecom will continue to have access to the financial resources it needs to expand and implement its business strategies while continuing to provide high quality services to existing customers. Moreover, Applicants assert that the proposed merger will allow the Cavalier management team to be equipped to accelerate the growth of Dominion Telecom as a competitive telecommunications service provider.

## GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before April 23, 2004 and reply comments on or before April 30, 2004.**[5] Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.[6] Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

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5 *See* 47 C.F.R. § 63.03(a).

6 Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

**In addition, one copy of each pleading must be sent to each of the following:**

(1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893;

(2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;

(3) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C260, Washington, D.C. 20554; e-mail: gail.cohen@fcc.gov;

(4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: julie.veach@fcc.gov;

(5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and

(6) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: chris.killion@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Gail Cohen at (202) 418-0939.

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